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Korea, Republic of Cotton and Products Annual 2005

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Report Highlights:

Korea's raw cotton imports in MY 2005/06 are forecast at 266,000 MT, a 6,337 MT decrease from 272,337 MT in MY 2004/05. Raw cotton imports from the United States are expected to continue at over 120,000 MT in MY 2005/06.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
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I. Situation and Outlook

Despite lower international cotton prices during MY 2004/05 (August 2004 – September 2005), Korea's raw cotton imports in MY 2005/06 are forecast at 266,000 metric tons (MT), a 6,337 MT decrease from 272,337 MT in MY 2004/05. The contraction of domestic raw cotton demand and declining cotton processing infrastructure in Korea is dampening import prospects in MY 2005/06. Korea's cotton yarn production is expected to continue to contract in CY 2005 due to the increasing market shares of imported cotton yarn from India and Pakistan. However, rising cotton demand within India and Pakistan, along with the elimination of the Multi Fiber Agreement (MFA) as of January 1, 2005, is expected to preclude any sharp declines in Korean cotton yarn production in CY 2005.

Raw cotton imports from the United States are expected to continue at a level of 123,000 MT in MY 2005/06. Korean importers like U.S. cotton quality and prices and find that the Korean spinning industry prizes U.S. cotton for production of high quality cotton products.

In CY 2005, Korea's textile production and exports are expected to decrease in response to expiration of MFA and severe competition from neighboring countries. Meanwhile, the appreciation of the Korean won against the US dollar is expected to improve profit margins for Korean spinners are offsetting increasing production costs and stable local cotton yarn prices in CY 2005. The increase of low-priced garments imports from China is expected to continue to dominate the Korean apparel market in CY 2005.

Production & Consumption

Korea does not produce raw cotton and depends on imports from foreign countries for all demand. The Spinners and Weavers Association of Korea (SWAK), which is comprised of 20 companies, consumes roughly 95 percent of all cotton imports. Prior to CY 2004, Korea imported about 300,000 MT of raw cotton each year for nearly a decade. However, total raw cotton imports in CY 2004 decreased substantially to 268,000 MT. Importers cite significantly higher international cotton prices during MY 2003/04 and reduced domestic demand prompted by slower growth in the Korean economy as the driving force behind the reduction in imports.

Korean cotton processing capacity continues to contract. The number of spindles in Korea decreased to 1.528 million in CY 2005, down 7 percent from 1.644 million in CY 2004. The number of weaving machines decreased to 1,144 in CY 2005 from 1,362 in CY 2004. To a large degree, contraction in the Korean cotton industry is accounted for by competition from foreign exporters and efforts on the part of Korean businesses to relocate capacity in lower cost countries.

In CY 2004, Korean spinners produced 192,163 MT of cotton yarn, a 6 percent decrease from 204,346 MT in CY 2003 due to the reduced domestic demand and increasing market share of imported yarn in Korea. Out of all the cotton yarn produced in CY 2004, Korea consumed about 85 percent domestically and exported the remaining 15 percent to foreign countries.

Korea's cotton fabric production is expected to decline to 57,000 MT in CY 2005 in response to increasing imports of cotton fabric. In CY 2004, Korea's cotton fabric production decreased to 62,340 MT, down 12 percent from production in CY 2003.

In MY 2005/06, Korea's raw cotton consumption is forecast to decrease slightly to 270,218 MT in line with the contraction of cotton facilities and weakening of price competitiveness of Korean cotton products.

Trade

The same forces that are driving the contraction of Korean cotton processing facilities are impacting Korean cotton imports. Korea's raw cotton imports in MY 2005/06 are forecast at 266,000 MT in the face of declining cotton processing capacity and reduced price competitiveness of Korean cotton products. Although international cotton prices are expected to remain stable, the appreciation of the Korean won against the U.S. dollar in 2005 effectively increases the production cost of Korean cotton mills producing for the domestic market. According to cotton analysts, Korean cotton imports may fall to 230,000 MT in 4 to 5 years based on the trend toward decreasing capacity in the Korean cotton industry. In MY 2004/05, Korea's cotton imports are forecast at 272,337 MT.

Despite contraction of overall raw cotton imports in MY 2003/04, imports of U.S. cotton increased 23 percent to 116,794 MT. During the first eight months of MY 2004/05 (August-February), raw cotton imports from the United States reached 76,142 MT, a 12 percent increase over the pace of imports during the same period in MY 2003/04. Although the United States is expected to supply roughly half of all Korea cotton imports in MY 2004/05, a recovery in exportable supplies of cotton from Australia in the beginning of second half of CY 2005 could impact the U.S. market share. Generally, Australian cotton is most competitive in the Korean market during the May to November period reflecting the harvest season.

Australian cotton, perceived as a high quality alternative to U.S. cotton by Korean cotton mills, experienced 2 to 3 years declining market share in Korea because exportable supplies of Australian raw cotton production were impacted by drought in recent years. In MY 2002/03, Australia held a 30 percent share of Korean cotton imports. Australia's share decreased to 20 percent in MY 2003/04.

Meanwhile, Uzbekistan is expected to remain a key supplier of cotton for mélange yarn production in Korea. However, imports from Uzbekistan are expected to decrease in the face of strong competition from Brazilian cotton. Through the first seven months of MY 2004/05 (August – February), cotton imports from Brazil had reached 15,190 MT surpassing total imports from Brazil in MY 2003/04 by roughly 8,000 MT. The increasing market share of Brazilian cotton imports is coming at the expense of China and Uzbekistan's market shares.

Korea's cotton yarn imports in CY 2005 are expected to decrease substantially to 165,000 MT from 183,048 MT in CY 2004. Reduction in cotton yarn demand stemming from decreasing cotton apparel production and transferring of dressmaking factories to the low labor-costing countries is driving the reduction in imports. Korea's cotton yarn imports from India and Pakistan accounted for 78 percent of all cotton yarn imports in CY 2004.

In CY 2004, Korea's cotton fabric exports increased to 46,894 MT from 44,745 MT. Increased demand from China prompted by changes in consumer preferences from synthetics to cotton-based products is cited as the primary factor supporting increase exports. Korea's cotton fabric exports are expected to increase 47,000 MT in CY 2005 along with stronger demand from the United States and China.

Cotton yarn exports to the United States reached 1,727 MT during the first two months of CY 2005 compared with only 336 MT during the same period in CY 2004. Hong Kong and China were the major importing countries for Korean cotton yarn and have accounted for 50 percent of total exports of Korean cotton yarn for the past 2 years. However, sharp increases in exports to the United States are expected to occur in CY 2005.

Under USDA's GSM Export Credit Guarantee program for FY 2005, US\$ 38 million of U.S. cotton sales were registered as of April 8, 2005. The total GSM program announced for Korea for FY 2005 is US\$ 230 million.

The Korean cotton industry maintains about 80 days of raw cotton on hand. However, the ongoing contraction of cotton processing facilities is expected to cause cotton stocks to decline to slightly over 70,000 MT in MY 2005/06.

II. Statistical Tables

PS&D for Total Cotton

PSD Table

Country	Korea, Republic of						
Commodity	Cotton						
	(HECTARES)(MT)						
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official	Estimate [1]	IA Official	Estimate [1]	IA Official	Estimate [New]	
Market Year Begin	08-2003			08-2004		08-2005	MM/YYYY
Area Planted	0	0	0	0	0	0	(HECTARE)
Area Harvested	1000	0	1000	0	0	0	(HECTARE)
Beginning Stocks	105597	101595	87308	85850	86437	76055	(MT)
Production	218	0	218	0	0	0	(MT)
Imports	277166	277385	272158	272337	0	266000	(MT)
MY Imp. from U.S.	0	116794	0	123000	0	123000	(MT)
TOTAL SUPPLY	382981	378980	359684	358187	86437	342055	(MT)
Exports	1742	1130	1089	1700	0	1500	(MT)
USE Dom. Consumption	293931	292000	272158	280432	0	270218	(MT)
Loss Dom. Consumption	0	0	0	0	0	0	(MT)
TOTAL Dom. Consumption	293931	292000	272158	280432	0	270218	(MT)
Ending Stocks	87308	85850	86437	76055	0	70337	(MT)
TOTAL DISTRIBUTION	382981	378980	359684	358187	0	342055	(MT)

Trade Matrix

Korea: Imports of Total Raw Cotton for MY 2002/03, MY 2003/04 & MY 2004/05

	MY 2002/03			MY 2003/04			MY 2004/05(Aug-Feb)		
Country	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	94,648	107,526	29.1	116,794	179,417	42.1	76,142	101,444	49.0
Australia	96,922	110,754	29.8	55,351	88,178	20.0	28,266	44,860	18.2
Uzbekistan	46,262	50,151	14.2	30,836	47,000	11.1	12,618	19,411	8.1
Brazil	0	0	0.0	10,356	15,743	3.7	15,190	19,392	9.8
Russia	8,748	9,859	2.7	9,093	12,410	3.3	3,268	4,788	2.1
Egypt	13,970	25,406	4.3	8,093	19,387	2.9	1,303	2,502	0.8
Cote Divoire	250	320	0.1	6,774	8,975	2.4	1,162	1,829	0.7
Burkina Faso	4,187	4,396	1.3	4,716	6,798	1.7	2,693	4,329	1.7
Zimbabwe	6,140	7,009	1.9	1,553	1,942	0.6	5,556	9,093	3.6
India	948	1,168	0.3	4,890	7,420	1.8	0	0	0.0
Greece	0	0	0.0	2,651	4,303	1.0	3,118	4,345	2.0
Other	52,863	60,161	16.3	26,278	39,230	9.5	5,971	8,512	3.8
Total	324,938	376,750	100.0	277,385	430,803	100.0	155,287	220,505	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Imports of ELS Cotton for MY 2002/03, MY 2003/04 & MY 2004/05

	MY 2002/03			MY 2003/04			MY 2004/05(Aug-Feb)		
Country	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	1,827	3,313	22.8	3,008	5,960	36.6	1,443	2,380	68.6
Egypt	4,156	7,802	51.9	3,070	8,105	37.4	476	939	22.6
Israel	0	0	0.0	1,477	3,635	18.0	0	0	0.0
China	1,436	2,498	17.9	266	630	3.2	58	139	2.8
Uzbekistan	0	0	0.0	190	319	2.3	0	0	0.0
Other	594	792	7.4	200	333	2.4	127	148	6.0
Total	8,013	14,405	100.0	8,211	18,982	100.0	2,104	3,606	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Imports of Upland Cotton for MY 2002 / 03, MY 2003 / 04 & MY 2004 / 05

	MY 2002/03			MY 2003/04			MY 2004/05(Aug-Feb)		
Country	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	92,822	104,213	29.3	113,786	173,457	42.3	74,699	99,064	48.8
Australia	96,922	110,754	30.6	55,351	88,178	20.6	28,266	44,860	18.5
Uzbekistan	46,262	50,151	14.6	30,645	46,681	11.4	12,618	19,411	8.2
Brazil	0	0	0.0	10,356	15,743	3.8	15,190	19,392	9.9
Russia	8,623	9,662	2.7	9,093	12,410	3.4	3,268	4,788	2.1
Egypt	9,814	17,604	3.1	5,023	11,282	1.9	826	1,563	0.5
Cote Divoire	250	320	0.1	6,774	8,975	2.5	1,162	1,829	0.8
Burkina Faso	4,187	4,396	1.3	4,716	6,798	1.8	2,693	4,329	1.8
Zimbabwe	6,140	7,009	1.9	1,553	1,942	0.6	5,556	9,093	3.6
India	948	1,168	0.3	4,890	7,420	1.8	0	0	0.0
Greece	0	0	0.0	2,651	4,303	1.0	3,118	4,345	2.0
Other	50,957	57,068	16.1	24,335	34,632	9.0	5,786	8,225	3.8
Total	316,925	362,345	100.0	269,173	411,821	100.0	153,182	216,899	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Exports of Raw Cotton for MY 2002 / 03, MY 2003 / 04 & MY 2004 / 05

	MY 2002/03			MY 2003/04			MY 2004/05(Aug-Feb)		
Country	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
China	676	879	45.6	688	956	60.9	991	1,438	73.8
Vietnam	639	772	43.1	442	562	39.1	351	436	26.2
Philippines	0	3	0.0	0	3	0.0	0	0	0.0
Other	167	146	11.3	0	0	0.0	0	0	0.0
Total	1,482	1,800	100.0	1130	1521	100.0	1,342	1,874	100.0

Source: Korea Trade Information Services (KOTIS)

**Korea: Imports of Cotton Yarn for CY 2003, CY 2004
& CY 2005**

	CY 2003			CY 2004			CY 2005(Jan-Feb)		
Country	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
India	89,020	218,203	45.1	95,900	273,293	52.4	13,590	34,512	48.7
Pakistan	58,569	112,838	29.7	47,452	111,980	25.9	8,072	14,972	28.9
China	16,428	45,671	8.3	14,318	47,669	7.8	2,354	7,381	8.4
Thailand	3,651	9,330	1.8	2,465	7,699	1.3	1,190	3,200	4.3
Indonesia	12,728	29,739	6.4	11,716	31,667	6.4	868	2,261	3.1
Vietnam	9,952	17,678	5.0	4,620	10,093	2.5	791	1,446	2.8
Uzbekistan	4,278	6,893	2.2	3,845	8,325	2.1	720	1,341	2.6
Egypt	558	3,173	0.3	295	1,790	0.2	59	435	0.2
U.S.A.	146	490	0.1	140	477	0.1	19	49	0.1
Other	2,076	15,589	1.1	2,297	13,320	1.3	264	1,479	0.9
Total	197,406	459,604	100.0	183,048	506,313	100.0	27,927	67,076	100.0

Source: Korea Trade Information Services (KOTIS)

**Korea: Imports of Cotton Fabric for CY 2003, CY
2004 & CY 2005**

	CY 2003			CY 2004			CY 2005(Jan-Feb)		
Country	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
China	62,988	202,242	83.6	65,717	231,983	84.9	11,547	41,013	83.4
Pakistan	4,800	10,845	6.4	3,673	9,429	4.7	1,047	2,305	7.6
Japan	1,454	23,727	1.9	1,512	25,691	2.0	278	5,130	2.0
India	1,185	5,884	1.6	1,434	7,095	1.9	178	892	1.3
Uzbekistan	944	1,984	1.3	1,315	3,102	1.7	261	607	1.9
Italy	357	15,546	0.5	421	18,157	0.5	66	3,447	0.5
Tajikistan	1,021	1,789	1.4	884	1,820	1.1	107	268	0.8
Tiwan	289	2,677	0.4	254	3,296	0.3	31	481	0.2
U.S.A.	209	2,627	0.3	288	2,807	0.4	59	624	0.4
Other	2,131	17,759	2.8	1,907	17,637	2.5	265	2,748	1.9
Total	75,378	285,080	100.0	77,405	321,017	100.0	13,839	57,515	100.0

Source: Korea Trade Information Services (KOTIS)

**Korea: Exports of Cotton Yarn for CY 2003, CY 2004
& CY 2005**

	CY 2003			CY 2004			CY 2005(Jan-Feb)		
Country	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	1,603	4,442	5.2	3,018	9,845	9.9	1,727	4,690	30.6
Hong Kong	9,703	30,697	31.5	7,334	25,296	24.0	1,107	3,901	19.6
China	6,418	17,189	20.8	7,920	24,365	25.9	1,112	3,396	19.7
Japan	1,889	5,230	6.1	1,768	5,406	5.8	275	762	4.9
Guatemala	1,129	3,181	3.7	1,238	3,661	4.0	246	664	4.4
Mauritius	1,006	3,119	3.3	1,155	3,829	3.8	182	643	3.2
Singapore	1,063	3,415	3.5	803	2,588	2.6	109	294	1.9
Vietnam	736	3,190	2.4	872	3,623	2.8	75	238	1.3
Honduras	946	2,352	3.1	680	1,905	2.2	96	219	1.7
Thailand	839	3,016	2.7	800	3,104	2.6	41	203	0.7
Other	5,470	19,086	17.8	5,012	19,283	16.4	673	2,741	11.9
Total	30,802	94,917	100.0	30,600	102,905	100.0	5,643	17,751	100.0

Source: Korea Trade Information Services (KOTIS)

**Korea: Exports of Cotton Fabric for CY 2003, CY
2004 & CY 2005**

	CY 2003			CY 2004			CY 2005(Jan-Feb)		
Country	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)	MT	US\$ 1000	Shr.(%)
U.S.A.	10,237	93,632	22.9	10,761	99,777	22.9	1,453	13,788	22.4
China	10,249	78,611	22.9	11,693	90,454	24.9	2,022	14,067	31.1
Hong Kong	2,511	29,039	5.6	2,760	33,504	5.9	253	3,456	3.9
Vietnam	2,895	19,649	6.5	3,188	24,766	6.8	348	2,785	5.4
Indonesia	3,141	21,458	7.0	3,490	24,477	7.4	450	2,990	6.9
Philippines	1,254	12,578	2.8	1,511	15,108	3.2	183	2,299	2.8
Afghanistan	2,315	7,104	5.2	1,175	4,423	2.5	151	693	2.3
Iran	920	4,388	2.1	525	2,949	1.1	83	488	1.3
Bangladesh	1,357	10,678	3.0	1,742	14,216	3.7	115	1,039	1.8
Other			0.0	10,049	79,542	21.4	1,437	12,004	22.1
Total	44,745	354,908	100.0	46,894	389,216	100.0	6,495	53,609	100.0

Source: Korea Trade Information Services (KOTIS)

Korea: Imports and Exports of Cotton Apparel

	Products	CY 2003		CY 2004		CY 2005(JAN-FEB)	
		MT	\$ Mil.	MT	\$ Mil.	MT	\$ Mil.
Import	Knit	32,583	340	35,094	382	4,833	70
	Fabric	56,718	563	64,195	658	9,294	123
	Total	89,301	903	99,289	1,040	14,127	193
	Growth (%)	13.5	23.7	11.2	15.2	-3.6	6.6
Export	Knit	46,755	772	39,779	672	4,856	90
	Fabric	19,315	320	18,153	335	2,475	55
	Total	66,070	1,092	57,932	1,007	7,331	145
	Growth (%)	-3.4	-2.6	-12.3	-7.8	-25.9	-17.6

Source: Spinners & Weavers & Association of Korea (SWAK)

Korea: Most Recent Import Trend for Cotton Products Influence of the China's Entry into the Bangkok Agreement

Unit: Metric tons

HS Code	Cotton Products 1/	CY 2003 Imports		CY 2004 Imports		Growth (%)
		Total	China	Total	China	
6202.12	Women's overcoats	682	652	668	639	-1.99
6202.92	Women's anoraks	918	912	849	831	-8.88
6204.12	Women's suits	217	213	268	262	23.00
6204.22	Women's ensembles	59	52	60	55	5.77
6204.32	Women's jackets	2,730	2,494	3,818	3,561	42.78
6204.42	Women's dresses	462	401	575	524	30.67
6204.52	Women's skirts	1,184	1,079	1,532	1,456	34.94
6204.62	Women's trousers	14,873	14,340	19,238	18,495	28.97
6206.30	Women's blouses	3,479	3,289	4,312	4,091	24.38
6209.20	Babies garments	676	563	675	551	-2.13
	Total	25,280	23,995	31,995	30,465	26.96

1/ Tariff for the listed products from China are lowered from 13% to 8.1% as of January 1, 2002.

Source: Korea Trade Information Services (KOTIS)

PRICES**Korea: Average Monthly Import Price for Raw Cotton (U.S. Cents / Pound)**

	Calendar Year							
Month	1999	2000	2001	2002	2003	2004	2005	Change
January	73	58	63	52	51	73	59	-19.20%
February	71	57	65	51	54	76	59	-22.40%
March	70	56	65	50	54	79		46.30%
April	68	57	64	48	55	78		41.80%
May	67	57	64	49	56	77		37.50%
June	65	58	60	47	59	77		30.50%
July	66	58	61	48	60	75		25%
August	66	58	59	48	60	73		21.70%
September	65	58	58	47	61	70		14.80%
October	64	59	57	48	61	67		9.80%
November	61	61	56	50	62	64		3.20%
December	59	63	53	50	69	61		-11.60%

Source: Korea Trade Information Services (KOTIS)

Korea: Price of Cotton Yarn Export and Local Trade (Unit: US\$ / Bale)

	Direct (FOB)		Local Trade				Exc. Rate
	CM 30	CM 40	CD 30	CD 40	CM 30	CM 40	(KRW/US\$)
Sep.2001	480	520	480	550	510	600	1,296
Dec.2001	430	480	450	530	470	560	1,289
Dec.2002	420	480	-	-	430	520	1,209
May2003	450	520	-	-	470	550	1,198
Dec2003	-	-	-	-	590	640	1,192
Mar.2004	-	-	-	-	570	630	1,166
Dec.2004	-	-	-	-	490	550	1,051
Mar.2005	-	-	-	-	500	560	1,007

Source: Spinner & Weavers Association of Korea (SWAK)

Production**Korea: Spun Yarn Production 1/ (Unit: MT, %)**

Year	Cotton Yarn	Cotton Blended	MMF 2/	Total	Growth(%)
1999	190,294	57,871	27,429	275,594	10.5
2000	182,357	56,921	29,230	268,508	-2.6
2001	191,826	45,376	24,601	261,803	-2.5
2002	209,848	42,974	28,287	281,109	7.4
2003	204,346	51,039	28,174	283,559	0.9
2004	192,163	46,431	28,535	267,129	-5.8
Change (%)	-6.0	-9.0	1.3	-5.8	
2004 3/	32,148	6,924	4,329	43,401	
2005 3/	29,266	6,338	3,178	38,782	-10.6
Change (%)	-9.0	-8.5	-26.6	-10.6	

1/ Member companies account for approximately 95 percent of total cotton consumption

2/ Man-made Fiber (MMF)

3/ January - February

Source: Spinner & Weavers Association of Korea (SWAK)

Korea: Fabric Production by SWAK Member Companies 1/ (Unit: 1000 Square meters, %)

Year	Cotton Fabric	Cotton Blended	MMF 2/	Total	Growth(%)
1999	121,101	88,540	46,560	262,201	24.8
2000	107,483	70,941	46,046	224,470	-14.4
2001	97,749	61,134	30,830	189,714	-15.5
2002	86,558	61,354	24,950	172,863	-8.9
2003	70,843	44,004	19,343	134,189	-22.4
2004	62,340	38,695	9,614	110,649	-17.5
Change (%)	-12.0	-12.1	-50.3	-17.5	
2004 3/	12,224	5,708	1,761	19,693	
2005 3/	10,011	4,234	611	14,856	-24.6
Change (%)	-18.1	-25.8	-65.3	-24.6	

1/ Member companies account for approximately 95 percent of total cotton consumption

2/ Man-made Fiber (MMF)

3/ January - February

Source: Spinner & Weavers Association of Korea (SWAK)

Consumption**Korea: Raw Material Consumption by SWAK Member Companies 1/ (Unit: MT, %)**

Year	Raw Cotton	Rayon & Acet	Polyester	Other	Total
1999	275,113	21,274	32,777	4,041	333,205
2000	267,496	23,289	33,201	2,925	326,911
2001	270,678	18,231	24,121	3,067	316,097
2002	290,171	19,465	20,623	6,380	336,639
2003	288,320	21,116	21,827	7,882	339,145
2004	273,668	21,816	18,049	8,937	322,470
Change (%)	-5.1	3.3	-17.3	13.4	-4.9
2004 3/	45,095	3,185	2,752	1,400	52,432
2005 3/	41,198	2,997	1,909	1,109	47,213
Change (%)	-8.6	-5.9	-30.6	-20.8	-10.0

1/ Member companies account for approximately 95 percent of total cotton consumption

Source: Spinner & Weavers Association of Korea (SWAK)

Korea: Number of Spindles/Looms owned by SWAK member Companies in Korea

	2000	2001	2002	2003	2004	2005
Spindles (1000)	2,119	2,040	1,823	1,689	1,644	1,529
Looms	2,300	1,810	1,500	1,362	1,362	1,144

Source: Spinner & Weavers Association of Korea (SWAK)

Korea: Offshore Cotton Facilities Owned by Korean Spinners in 2004

Country	Number of Spindles	Number of Looms
China	225,532	538
Vietnam	118,472	1,731
Indonesia	16,960	
India	104,646	
Sri Lanka	100,000	558
Uzbekistan	329,340	346
Tajikistan	35,952	243
Egypt	53,184	
Total	1,054,086	3,416

Source: Spinner & Weavers Association of Korea (SWAK)

Tariff**Korea: Tariff Rates for Cotton Products (Unit: % imposed on CIF Value)**

	Current Applied Tariff Rates	Bound Rate under WTO Commitments		
Year	2005	2005	2006	2007
Raw Cotton 1/	0	2	2	2
Cotton Yarn 2/	2	13	13	13
Cotton Fabric 3/	10	13	13	13

1/ a quota tariff rate is currently being applied with unlimited quota amount.

2/ a quota tariff is currently being applied for 50,000 MT of low count cotton yarn,
for other cotton yarn a basic tariff rate of 8% is currently being applied.

3/ a basic rate of 10% is currently being applied.

* Quota tariff rate and adjustment tariff rate are annually modified by the Ministry of
Finance and Economy.